GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2581
ANSWERED ON:08.12.2006
CEILING ON LOAN
Kripalani Shri Srichand

Will the Minister of FINANCE be pleased to state:

(a) whether there is any proposal with respect to ceiling of total loan under article 293(3) instead of the condition of getting the Union Government`s concurrence for taking every loan;

(b) the limit of total loan for each of the States for the year 2006-2007;

(c) whether the Government propose to abolish the source based ceiling of loan;

(d) whether the Government propose to give permission to the States to seek loans from banks for their State projects;

(e) if so, the details thereof; and

(f) if not, the reasons therefore?

Answer

MINISTER OF THE STATE IN MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) Yes, Sir. Consequent to the recommendation of Twelfth Finance Commission, GoI fixes net borrowing ceilings for each State under Article 293(3) of the Constitution of India.

(b) Borrowing ceiling of each State for the year 2006-07 is annexed.

(c) & (d) No, Sir.

(e) & (f) Does not arise.